

To the Senate Finance Committee working group on International Tax,

I am writing you about regarding possible reforms to the tax code, particularly regarding international tax. As an American citizen living abroad, reforming the international tax code is of great interest and importance to me. In my experience, filing tax returns and declaring foreign bank accounts for American citizens abroad is a confusing, difficult, expensive and time consuming process. Finding a knowledgeable and experienced tax professional, who is able to accurately complete and file your tax return, is not easy. Furthermore, the logistics of paying taxes in a currency you are not paid in and to another country is also difficult. Obviously the ease of filing and paying taxes is much easier if you are living in the country.

Apart from the logistics of filing and paying taxes abroad, it seems unjust to be paying for services, infrastructure, programmes and social benefits that I do not benefit from. In some cases, you are paying taxes in both countries, which is an extra burden to put on American citizens abroad.

Turning to the Foreign Account Tax Compliance Act, while the goal of catching tax cheats is understandable and important, thousands of law-abiding American citizens have also been unfairly impacted by these requirements. As I am living and working in another country, I require a bank account in that country. Having this bank account does not mean I am trying to hide my money from the US authorities, it is just a normal consequence of living in another country. However, I am finding it increasingly difficult to find banks or financial institutions who are willing to do business with me because of my citizenship. The unfortunate consequence of these new regulations is that normal life for Americans abroad is being made more difficult and in some cases has led some Americans to take the drastic step of renouncing their citizenship. This further demonstrates the need for a simplified and equitable tax system that treats Americans living at home and abroad equally.

I am therefore strongly urging you to change the US Federal tax system to a residency rather than citizenship-based system. I would also like to see a same-country exception introduced when reporting foreign bank accounts so that the bank accounts of the country I am living in are not considered foreign. Rather bank accounts where the financial institutions and the citizen's country of residence are not the same should be the accounts that must be declared. Moving to a new country is a challenge in itself, learning new customs, rules and in some cases, languages but FATCA as well as the tax requirements add an extra burden on citizens abroad. So please strongly consider the changes outlined above to lift this undue burden and allow for equality between citizens at home and abroad.

Thank you for consideration.

